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By Vn Dohla

H.J.R. No. 99

A JOINT RESOLUTION

proposing a constitutional amendment of Section 49-d-1 of Article III of the Texas Constitution to increase from \$100 million to \$200 million the additional aggregate principal amount of Texas Water Development Bonds which may be issued and outstanding by the Texas Water Development Board for water quality enhancement purposes.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. That Section 49-d-1 of Article III of the Texas Constitution, as amended, be amended to read as follows:

"Section 49-d-1. Texas Water Development Bonds; additional issue

"(a) The Texas Water Development Board shall upon direction of the Texas Water Quality Board, or any successor agency designated by the Legislature, issue additional Texas Water Development Bonds up to an additional aggregate principal amount of Two Hundred Million Dollars (\$200,000,000) to provide grants, loans, or any combination of grants and loans for water quality enhancement purposes as established by the Legislature. The Texas Water Quality Board or any successor agency designated by the Legislature may make such grants and loans to political subdivisions or bodies politic and corporate of the State of Texas, including municipal corporations, river authorities, conservation and reclamation districts, and districts created or organized or authorized to be created or organized under Article XVI, Section 59, or Article III, Section 52, of this Constitution, State agencies, and interstate agencies and compact commissions to which the State of Texas is a party, and upon such terms and conditions as the

1 Legislature may authorize by general law. The bonds shall be
2 issued for such terms, in such denominations, form and install-
3 ments, and upon such conditions as the Legislature may authorize.

4 "(b) The proceeds from the sale of such bonds shall be
5 deposited in the Texas Water Development Fund to be invested and
6 administered as prescribed by law.

7 "(c) The bonds authorized in this Section 49-d-1 and all
8 bonds authorized by Sections 49-c and 49-d of Article III shall
9 bear interest at not more than 6% per annum and mature as the
10 Texas Water Development Board shall prescribe, subject to the
11 limitations as may be imposed by the Legislature.

12 "(d) The Texas Water Development Fund shall be used for
13 the purposes heretofore permitted by, and subject to the limi-
14 tations in Sections 49-c, 49-d and 49-d-1; provided, however,
15 that the financial assistance may be made pursuant to the pro-
16 visions of Sections 49-c, 49-d and 49-d-1 subject only to the
17 availability of funds and without regard to the provisions in
18 Section 49-c that such financial assistance shall terminate
19 after December 31, 1982.

21 "(e) Texas Water Development Bonds are secured by the
22 general credit of the State and shall after approval by the
23 Attorney General, registration by the Comptroller of Public
24 Accounts of the State of Texas, and delivery to the purchasers,
25 be incontestable and shall constitute general obligations of
26 the State of Texas under the Constitution of Texas.

27 "(f) Should the Legislature enact enabling laws in an-
28 ticipation of the adoption of this amendment such Acts shall
29 not be void by reason of their anticipatory character."

30 Section 2. That this amendment becomes effective on
31 January 1, 1976.

1 Section 3. That the secretary of state, after review and
2 approval of the attorney general, shall appropriately number
3 articles and sections as provided in this resolution.

4 Section 4. That the foregoing constitutional amendment shall
5 be submitted to a vote of the qualified electors of this State
6 at an election to be held on November 4, 1975, at which election
7 the ballots shall provide for voting for or against the propo-
8 sition: "A constitutional amendment amending Section 49-d-1
9 of Article III of the Texas Constitution to increase from
10 \$100 million to \$200 million the additional aggregate principal
11 amount of Texas Water Development Bonds which may be issued
12 and outstanding by the Texas Water Development Board for water
13 quality enhancement purposes."

COMMITTEE REPORT

THE HONORABLE BILL CLAYTON
SPEAKER OF THE HOUSE OF REPRESENTATIVES

Date May 13, 1975

SIR:

We, your COMMITTEE ON Constitutional Revision, to whom was referred HR 99,
(measure)

have had the same under consideration and beg to report back with the recommendation that it

- () do pass, without amendment.
- () do pass, with amendment(s).
- (*) do pass and be not printed; a committee substitute is recommended in lieu of the original measure.


~~The Committee recommends that this measure be placed on the (Local / Consent) Calendar.~~

This measure (☒) proposes ~~new law.~~ *to amend the Constitution.*
(☒) ~~amends existing law.~~

House Sponsor of Senate Measure: _____

The measure was reported from Committee by the following Record Vote:

<u>10</u>	ayes
<u>0</u>	nays
<u>2</u>	present, not voting
<u>5</u>	absent


Chairman

Return with Original Measure

Bill Analysis
to
Committee Substitute

Background Information:

Article III, Section 49 of the constitution prohibits debt created by or on behalf of the state. Bonds that obligate the general credit of the state are "debt" within Section 49 and may not be issued unless authorized by the constitution. Through a series of amendments, over \$1.2 billion in state debt has been authorized for specific purposes (e.g. Veterans' land program [Art. III, Sec. 49-b]; water development and water quality [Art. III, Section 49-c, 49-d, 49-d-1]; park development [Art. III, Sec. 49-e]; student loans [Art. III, Sec. 50b, 50b-1]).

Like the other sections authorizing state debt for specific purposes, Section 49-c and companion Sections 49-d and 49-d-1 are exceptions to the general prohibition against state debt which permit the state to make loans to local governments for water resource "conservation and development" purpose.

Section 49-c established the Texas Water Development Board to administer the loans, created the Texas Water Development Fund, authorized the sale of up to \$200 million in general obligation bonds to finance projects, and specified the purposes for which the fund could be used.

Restrictive interpretation of the purpose of the fund and increased financial need resulted in Sections 49-d (added in 1962 and amended in 1966) and 49-d-1 (added in 1971). Both sections amend Section 49-c to expand the authorized uses of the fund, raise the bond ceiling and interest rate limitations, and eliminate the 1982 loan assistance termination date.

Section 49-d grants the Water Development Board explicit power to meet anticipated water storage needs by authorizing use of the fund "for the additional purposes of acquiring and developing storage facilities" and specifying the means by which water storage needs may be met. The 1966 amendment added the authorization to develop water filtration and treatment systems, increased the bonds ceiling from \$200 million to \$400 million (issuance of the additional bonds requires two-thirds approval of the legislature), and added a 50-year limit on state financing of transbasin water transportation projects.

Section 49-d-1 authorized the issuance of an additional \$100 million in bonds for "water quality enhancement purposes." The section also raised the permissible interest rate on water development bonds from 4 percent to 6 percent, and eliminated the 1982 assistance termination date prescribed by 49-c.

The "state debt" provision in the proposed constitution revision (Article VIII, Section 8 of the Committee Substitute of HJR 56 and SJR 11 as passed by the Senate) would permit a state debt to be authorized by law if approved by two-thirds of the membership of both houses and by the voters. If HJR 99 were submitted to the voters with the proposed revision of Article VIII and both were approved, a transition provision in the revised article could convert HJR 99 to statute as anticipatory legislation under Article VIII, Section 8. If the voters failed to approve revised Article VIII but approved HJR 99, HJR 99 would become effective as an amendment to the present constitution.

What the Resolution Proposes to Do:

Increase from \$100 million to \$200 million the additional aggregate principal amount of water development bonds that may be issued and outstanding for water quality enhancement purposes.

Section-by-Section Analysis:

Section 1. Amends Article III, Section 49-d-1 to:

(a) require the Texas Water Development Board, upon direction of the Texas Water Quality Board or a successor agency designated by the Legislature, to issue additional bonds up to an aggregate principal amount of \$200 million to provide financial assistance purposes as established by the Legislature (changes limit from \$100 million to \$200 million);

authorize the Texas Water Development or any successor agency to provide financial assistance to certain political subdivisions (no change); and

provide that bonds be issued as provided by law;

(b) require that proceeds from the sale of bonds be deposited in the Texas Water Development to be invested and prescribed by law (no change);

(c) require bonds to bear interest at not more than six percent and mature as prescribed by the board, subject to limitations imposed by the Legislature (no change);

(d) require the bonds to be used for certain purposes, subject to certain limitations (no change) and

eliminate the 1982 assistance termination date (no change);

(e) provide that bonds (after being appropriately approved, registered, and delivered) be incontestable and constitute general obligations on the state (no change); and

(f) provide that the Legislature may enact anticipatory laws (no change).

(2) Provides that this constitutional amendment becomes effective on January 1, 1977.

(3) Provides that this constitutional amendment be submitted to the voters in November, 1976.

(4) Provides for the secretary of state to renumber and change the cross references of the amendment contained in Subdivision (1) to conform with SJR 11.

Section 2. Provides that if the constitutional amendment proposed in Section 5 of SJR 11 is adopted by a majority of the voters in November 4, 1975:

(1) Provides that approval of this resolution by a 2/3's vote of the membership of the 64th Legislature constitutes legislative approval of state debt in conformity with Sec. 8 of Art. VIII of the Constitution.

(2) Provides for the wording of the ballot in the November, 1976 election on this amendment.

(3) Provides that approval of state debt does not mandate or require the continuation of the Water Quality Board or the Water Development Board as the agency empowered to issue Texas Water Development Bonds.

(4) Permits laws to be passed in anticipation of the effective date of approval of state.

Provides that approval of state debt under this section becomes effective on January 1, 1977.

SUMMARY OF COMMITTEE ACTION:

The Committee on Constitutional Revision posted notice on HJR 99 in accordance with the House Rules and considered the resolution in a public hearing on April 7, 1975. The resolution was referred to a subcommittee composed of Olson, Close, and Wyatt. May 7, 1975 the subcommittee reported a committee substitute to HJR 99 back to the full Committee with the recommendation that it do pass.

The Committee voted on HJR 99 by a record vote of 10 ayes, 0 nays and 2 present not voting to report HJR 99 back to the House favorably with the recommendation that it do pass, as amended.

The resolution amends Article III, Section 49d-1 of the present Constitution.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 7, 1975

Honorable Ray Hutchison, Chairman
Committee on Constitutional Revision
House of Representatives
Austin, Texas

In Re: House Joint Resolution No. 99
By: Von Dohlen

Sir:

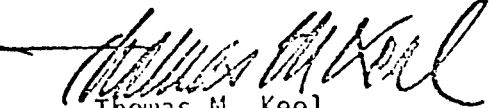
In response to your request and pursuant to House Rule VIII, Section 27, this office finds the fiscal implications of House Joint Resolution No. 99 (proposing a constitutional amendment to increase from \$100 million to \$200 million the additional aggregate principal amount of Texas Water Development Bonds which may be issued and outstanding by the Texas Water Development Board for water quality enhancement purposes) to be as follows:

The resolution would authorize the Texas Water Development Board, upon direction of the Texas Water Quality Board, to issue Texas Water Development Bonds up to a maximum amount of \$200,000,000. Under present provisions of the Constitution, the maximum authorization for these bonds is \$100,000,000; debt obligations totaling \$45,000,000 have been issued against this authorization.

When Texas Water Development Bonds are sold, debt service constitutes an obligation of the State to be paid from General Revenue. Loans for water development and clean water enhancement are made to local political subdivisions at rates designed to repay the State for the costs of the loan. The repayment schedules from the local subdivisions do not meet precisely, in each fiscal year, the State's debt service requirements. The General Revenue Fund makes up the difference between the debt service owed by the State and the repayments from local political subdivisions. The history of payments from the General Fund and a projection for the next five years are as follows:

Fiscal Year	Demand on General Revenue Fund for Payment of Debt Service on Texas Water Development Bonds Authorized by the Texas Water Development Board	
1972	Actual	\$ 2,097,333
1973		838,698
1974		1,193,084
1975		(112,390) gain
1976	Projected	1,100,000
1977		2,000,000
1978		3,740,000
1979		4,575,000
1980		4,575,000

It is anticipated that additional water development debt outstanding will cause this expenditure from the General Revenue Fund to continue. At some time in the future, the activity should become self-supporting.


Thomas M. Keel
Director

Amend H.J.R. 99 by deleting all after the words "BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:" and by substituting in lieu thereof the following:

— Section 1. That if the constitutional amendment proposed in Section 5 of Senate Joint Resolution No. 11, as passed in the 1975 regular session of the 64th Legislature, is not adopted by a majority of the qualified electors voting on the question on November 4, 1975:

(1) Section 49-d-1 of Article III of the Texas Constitution is amended to read as follows:

"Section 49-d-1. Additional Texas Water Development Bonds. "(a) The Texas Water Development Board shall upon direction of the Texas Water Quality Board, or any successor agency designated by the Legislature, issue additional Texas Water Development Bonds up to an additional aggregate principal amount of \$200,000,000 [~~One-Hundred-Million-Dollars-(\$100,000,000)~~] to provide grants, loans, or any combination of grants and loans for water quality enhancement purposes as established by the Legislature. The Texas Water Quality Board or any successor agency designated by the Legislature may make such grants and loans to political subdivisions or bodies politic and corporate of the State of Texas, including municipal corporations, river authorities, conservation and reclamation districts, and districts created or organized or authorized to be created or organized under Article XVI, Section 59, or Article III, Section 52, of this Constitution, State agencies, and interstate agencies and compact commissions to which the State of Texas is a party, and upon such terms and conditions as the Legislature may authorize by general law. The bonds shall be issued for such terms, in such denominations, form and installments, and upon such conditions as the Legislature may authorize.

"(b) The proceeds from the sale of such bonds shall be deposited in the Texas Water Development Fund to be invested and administered as prescribed by law.

"(c) The bonds authorized in this Section 49-d-1 and all bonds authorized by Sections 49-c and 49-d of Article III shall bear interest at not more than 6% per annum and mature as the Texas Water Development Board shall prescribe, subject to the limitations as may be imposed by the Legislature.

"(d) The Texas Water Development Fund shall be used for the purposes heretofore permitted by, and subject to the limitations in Sections 49-c, 49-d and 49-d-1; provided, however, that the financial assistance may be made pursuant to the

provisions of Sections 49-c, 49-d and 49-d-1 subject only to the availability of funds and without regard to the provisions in Section 49-c that such financial assistance shall terminate after December 31, 1982.

"(e) Texas Water Development Bonds are secured by the general credit of the State and shall after approval by the Attorney General, registration by the Comptroller of Public Accounts of the State of Texas, and delivery to the purchasers, be incontestable and shall constitute general obligations of the State of Texas under the Constitution of Texas.

"(f) Should the Legislature enact enabling laws in anticipation of the adoption of this amendment, such Acts shall not be void by reason of their anticipatory character."

— (2) The constitutional amendment proposed by this section becomes effective on January 1, 1977.

(3) The constitutional amendment proposed by this section is to be submitted to a vote of the qualified electors at the election held on the first Tuesday after the first Monday in November, 1976, at which election the ballots are to provide for voting for or against the proposition: "A constitutional amendment to increase from \$100 million to \$200 million the amount of Texas Water Development Bonds that may be issued for water quality enhancement purposes."

(4) If one or more amendments proposed by Senate Joint Resolution No. 11, as passed by the 64th Legislature in the 1975 regular session, are adopted and require a renumbering of Article III of the Texas Constitution, as amended and as it existed on November 4, 1975, (but the amendment contained in Senate Joint Resolution No. 11 revising the finance provisions of the Texas Constitution is not adopted) at least 90 days before the first Tuesday after the first Monday in November, 1976, the secretary of state with the approval of the attorney general shall appropriately renumber and change the cross-references of the amendment contained in Subdivision (1) of this section of this resolution to conform with the changes in number designations and cross-references brought about by the adoption of one or more amendments proposed by Senate Joint Resolution No. 11, as passed by the 64th Legislature in the 1975 regular session.

DATE

MAY 26 1975

READ AND ADOPTED

Dorothy Holloman
Chief Clerk
House of Representatives

Section 2. That if the constitutional amendment proposed in Section 5 of Senate Joint Resolution No. 11, as passed in the 1975 regular session of the 64th Legislature, is adopted by a majority of the qualified electors voting on the question on November 4, 1975:

(1) Approval of this resolution by a record affirmative two-thirds vote of the membership of each house of the 64th Legislature in the 1975 regular session is hereby declared to constitute legislative approval of state debt in conformity with Section 8 of Article VIII of the constitution.

(2) The ballot at the general election held on the first Tuesday after the first Monday in November, 1976, is to provide for voting for or against the proposition: "Authorizing an increase of \$100 million in the amount of Texas Water Development Bonds that may be issued for water quality enhancement purposes in accordance with House Joint Resolution No. 99 as passed by the 64th Legislature in the 1975 regular session." Approval of this proposition by a majority of the qualified voters voting on the question is hereby declared to constitute voter approval of state debt in conformity with Section 8 of Article VIII of the constitution.

(3) Approval of state debt in the manner provided by this section permits the legislature to authorize by law the issuance of Texas Water Development Bonds in the amounts prescribed by and otherwise in accordance with Section 49-d-1 contained in Subdivision (1) of Section 1 of this resolution. However, approval of state debt in the manner provided by this section does not mandate or require the continuation of the Texas Water Quality Board or the Texas Water Development Board as the state agency empowered to issue Texas Water Development Bonds and administer proceeds from the sale of the bonds.

(4) Laws may be passed in anticipation of the effective date of approval of state debt under this section. Approval of state debt under this section becomes effective on January 1, 1977.

DATE MAY 26 1975
READ AND ADOPTED
Dorothy Hallman
Chief Clerk
House of Representatives

CY
BK

Committee Amendment No. 2

By: Clase

Amend HJR No. 99 by deleting all before the words "BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:" and by substituting in lieu thereof the following:

HOUSE JOINT RESOLUTION

proposing a constitutional amendment of Section 49-d-1 of Article III of the Texas Constitution to increase from \$100 to \$200 million the amount of Texas Water Development Bonds that may be issued by the Texas Water Development Board for water quality enhancement purposes; or, in the alternative, providing that approval of this resolution constitutes legislative approval of state debt as required by Article VIII of the Texas Constitution, as revised in 1976; providing for submission to the qualified voters the question of whether to increase by \$100 million the amount of Texas Water Development Bonds that may be issued for water quality enhancement purposes; and providing that approval of the question submitted by a majority of the qualified voters constitutes voter approval as required by Article VIII of the Texas Constitution, as revised in 1976.

DATE MAY 26 1975

READ AND ADOPTED

Dorothy Hallman
Chief Clerk
House of Representatives

BK

OK

By: Von Dohlen

H.J.R. No. 99

HOUSE JOINT RESOLUTION

proposing a constitutional amendment of Section 49-d-1 of Article III of the Texas Constitution to increase from \$100 to \$200 million the amount of Texas Water Development Bonds that may be issued by the Texas Water Development Board for water quality enhancement purposes; or, in the alternative, providing that approval of this resolution constitutes legislative approval of state debt as required by Article VIII of the Texas Constitution, as revised in 1976; providing for submission to the qualified voters the question of whether to increase by \$100 million the amount of Texas Water Development Bonds that may be issued for water quality enhancement purposes; and providing that approval of the question submitted by a majority of the qualified voters constitutes voter approval as required by Article VIII of the Texas Constitution, as revised in 1976.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. That if the constitutional amendment proposed in Section 5 of S.J.R. No. 11, as passed in the 1975 regular session of the 64th Legislature, is not adopted by a majority of the qualified electors voting on the question on November 4, 1975:

(1) Section 49-d-1 of Article III of the Texas Constitution is amended to read as follows:

"Section 49-d-1. Additional Texas Water Development Bonds.
(a) The Texas Water Development Board shall upon direction of the Texas Water Quality Board, or any successor agency designated

1 by the Legislature, issue additional Texas Water Development Bonds
2 up to an additional aggregate principal amount of \$200,000,000
3 ~~[One Hundred Million Dollars (\$100,000,000)]~~ to provide grants,
4 loans, or any combination of grants and loans for water quality
5 enhancement purposes as established by the Legislature. The Texas
6 Water Quality Board or any successor agency designated by the
7 Legislature may make such grants and loans to political
8 subdivisions or bodies politic and corporate of the State of
9 Texas, including municipal corporations, river authorities,
10 conservation and reclamation districts, and districts created or
11 organized or authorized to be created or organized under Article
12 XVI, Section 59, or Article III, Section 52, of this Constitution,
13 State agencies, and interstate agencies and compact commissions
14 to which the State of Texas is a party, and upon such terms and
15 conditions as the Legislature may authorize by general law. The
16 bonds shall be issued for such terms, in such denominations, form
17 and installments, and upon such conditions as the Legislature may
18 authorize.

19 "(b) The proceeds from the sale of such bonds shall be
20 deposited in the Texas Water Development Fund to be invested and
21 administered as prescribed by law.

22 "(c) The bonds authorized in this Section 49-d-1 and all
23 bonds authorized by Sections 49-c and 49-d of Article III shall
24 bear interest at not more than 6% per annum and mature as the
25 Texas Water Development Board shall prescribe, subject to the
26 limitations as may be imposed by the Legislature.

1 "(d) The Texas Water Development Fund shall be used for
2 the purposes heretofore permitted by, and subject to the
3 limitations in Sections 49-c, 49-d and 49-d-1; provided, however,
4 that the financial assistance may be made pursuant to the
5 provisions of Sections 49-c, 49-d and 49-d-1 subject only to the
6 availability of funds and without regard to the provisions in
7 Section 49-c that such financial assistance shall terminate after
8 December 31, 1982.

9 "(e) Texas Water Development Bonds are secured by the
10 general credit of the State and shall after approval by the
11 Attorney General, registration by the Comptroller of Public
12 Accounts of the State of Texas, and delivery to the purchasers,
13 be incontestable and shall constitute general obligations of the
14 State of Texas under the Constitution of Texas.

15 "(f) Should the Legislature enact enabling laws in
16 anticipation of the adoption of this amendment, such Acts shall
17 not be void by reason of their anticipatory character."

18 (2) The constitutional amendment proposed by this section
19 becomes effective on January 1, 1977.

20 (3) The constitutional amendment proposed by this section
21 is to be submitted to a vote of the qualified electors at the
22 election held on the first Tuesday after the first Monday in
23 November, 1976, at which election the ballots are to provide for
24 voting for or against the proposition: "A constitutional amendment
25 to increase from \$100 million to \$200 million the amount of Texas
26 Water Development Bonds that may be issued for water quality

enhancement purposes."

(4) If one or more amendments proposed by S.J.R. No. 11, as passed by the 64th Legislature in the 1975 regular session, are adopted and require a renumbering of Article III of the Texas Constitution, as amended and as it existed on November 4, 1975, (but the amendment contained in S.J.R. No. 11 revising the finance provisions of the Texas Constitution is not adopted) at least 90 days before the first Tuesday after the first Monday in November, 1976, the secretary of state with the approval of the attorney general shall appropriately renumber and change the cross-references of the amendment contained in Subdivision (1) of this section of this resolution to conform with the changes in number designations and cross-references brought about by the adoption of one or more amendments proposed by S.J.R. No. 11, as passed by the 64th Legislature in the 1975 regular session.

Sec. 2. That if the constitutional amendment proposed in Section 5 of S.J.R. No. 11, as passed in the 1975 regular session of the 64th Legislature, is adopted by a majority of the qualified electors voting on the question on November 4, 1975:

(1) Approval of this resolution by a record affirmative two-thirds vote of the membership of each house of the 64th Legislature in the 1975 regular session is hereby declared to constitute legislative approval of state debt in conformity with Section 8 of Article VIII of the constitution.

(2) The ballot at the general election held on the first Tuesday after the first Monday in November, 1976, is to provide

1 for voting for or against the proposition: "Authorizing an
2 increase of \$100 million in the amount of Texas Water Development
3 Bonds that may be issued for water quality enhancement purposes
4 in accordance with H.J.R. No. 99 as passed by the 64th Legislature
5 in the 1975 regular session." Approval of this proposition by
6 a majority of the qualified voters voting on the question is
7 hereby declared to constitute voter approval of state debt in
8 conformity with Section 8 of Article VIII of the constitution.

9 (3) Approval of state debt in the manner provided by this
10 section permits the legislature to authorize by law the issuance
11 of Texas Water Development Bonds in the amounts prescribed by and
12 otherwise in accordance with Section 49-d-1 contained in
13 Subdivision (1) of Section 1 of this resolution. However, approval
14 of state debt in the manner provided by this section does not
15 mandate or require the continuation of the Texas Water Quality
16 Board or the Texas Water Development Board as the state agency
17 empowered to issue Texas Water Development Bonds and administer
18 proceeds from the sale of the bonds.

19 (4) Laws may be passed in anticipation of the effective
20 date of approval of state debt under this section. Approval of
21 state debt under this section becomes effective on January 1,
22 1977.

-END-

COMMITTEE/FLOOR REPORT FORM

Austin, Texas

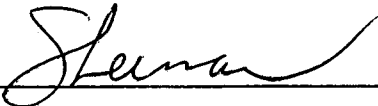
May 30

, 1975

**Honorable William P. Hobby
President of the Senate**

Sir:

We, your Committee on Natural Resources to which was referred
H. J. R. ~~B~~ No. 99 have had the same under consideration, and I am instructed to report it back to the Senate
with the recommendation that it do pass and be printed.



Chairman Sherman

IF THIS FORM IS TO BE USED AS A FLOOR REPORT, IT IS NECESSARY FOR A MAJORITY OF THE COMMITTEE MEMBERS TO SIGN IT. Paper clip the original and one copy of this form to the original bill and retain one copy for your file.

Amendment No. _____

By: Tracy

Amend H.J.R. 99 by deleting all after the resolving clause and by substituting in lieu thereof the following:

Section 1. That if the constitutional amendment proposed in Section 5 of Senate Joint Resolution No. 11, as passed in the 1975 regular session of the 64th Legislature, is not adopted by a majority of the qualified electors voting on the question on November 4, 1975, and the constitutional amendment proposed in Section 1 of Senate Joint Resolution No. 49, as passed in the 1975 regular session of the 64th Legislature, is not adopted by a majority of the qualified electors voting on the question on November 2, 1976:

(1) Section 49-d-1 of Article III of the Texas Constitution is amended to read as follows:

"Section 49-d-1. Additional Texas Water Development Bonds. (a) The Texas Water Development Board shall upon direction of the Texas Water Quality Board, or any successor agency designated by the Legislature, issue additional Texas Water Development Bonds up to an additional aggregate principal amount of \$200,000,000 [~~One-Hundred-Million-Dollars-(\$100,000,000)~~] to provide grants, loans, or any combination of grants and loans for water quality enhancement purposes as established by the Legislature. The Texas Water Quality Board or any successor agency designated by the Legislature may make such grants and loans to political subdivisions or bodies politic and corporate of the State of Texas, including municipal corporations, river authorities, conservation and reclamation districts, and districts created or organized or authorized to be created or organized under Article XVI, Section 59, or Article III, Section 52, of this Constitution, State agencies, and interstate agencies and compact commissions to which the State of Texas is a party, and upon such terms and conditions as the Legislature may authorize by general law. The bonds shall be issued for such terms, in such denominations, form and installments, and upon such conditions as the Legislature may authorize.

Amend caption to conform to body of bill.

ADOPTED

MAY 31 1975

Charles Schnabel
Secretary of the Senate

ADOPTED

MAY 31 1975

Charles Schnabel
Secretary of the Senate

"(b) The proceeds from the sale of such bonds shall be deposited in the Texas Water Development Fund to be invested and administered as prescribed by law.

"(c) The bonds authorized in this Section 49-d-1 and all bonds authorized by Sections 49-c and 49-d of Article III shall bear interest at not more than 6% per annum and mature as the Texas Water Development Board shall prescribe, subject to the limitations as may be imposed by the Legislature.

"(d) The Texas Water Development Fund shall be used for the purposes heretofore permitted by, and subject to the limitations in Sections 49-c, 49-d and 49-d-1; provided, however, that the financial assistance may be made pursuant to the provisions of Sections 49-c, 49-d and 49-d-1 subject only to the availability of funds and without regard to the provisions in Section 49-c that such financial assistance shall terminate after December 31, 1982.

"(e) Texas Water Development Bonds are secured by the general credit of the State and shall after approval by the Attorney General, registration by the Comptroller of Public Accounts of the State of Texas, and delivery to the purchasers, be incontestable and shall constitute general obligations of the State of Texas under the Constitution of Texas.

"(f) Should the Legislature enact enabling laws in anticipation of the adoption of this amendment, such Acts shall not be void by reason of their anticipatory character."

(2) The constitutional amendment proposed by this section becomes effective on January 1, 1977.

Section 2. That if the constitutional amendment proposed in Section 5 of Senate Joint Resolution No. 11, as passed in the 1975 regular session of the 64th Legislature, is not adopted by a majority of the qualified electors voting on the question on November 4, 1975, but the constitutional amendment proposed in Section 1 of Senate Joint Resolution No. 49, as passed by the 1975 regular session of the 64th Legislature, is adopted by a majority of the qualified electors voting on the question on November 2, 1976:

(1) Section 49-c of Article III of the Texas Constitution as proposed in Senate Joint Resolution No. 49 is amended to read as follows:

"Sec. 49-c. Texas Water Development Bonds and Contracts. (a) The issuance of Texas Water Development Bonds is hereby authorized in an aggregate principal amount not to exceed \$400,000,000. The legislature by a record affirmative two-thirds vote of the membership of each house may authorize the issuance of all or any part of an additional aggregate principal amount of Texas Water Development

32
Bonds not to exceed ~~\$400,000,000~~. Bonds authorized under this subsection may be issued only for such water development purposes as prescribed by law.

"(b) The issuance of Texas Water Development Bonds is hereby authorized in an aggregate principal amount not to exceed \$200,000,000 [~~\$100,000,000~~], which bonds may be issued only for such water quality enhancement purposes as prescribed by law.

"(c) Texas Water Development Bonds are issued in such manner and installments and upon such terms and conditions, bear such rates of interest, and mature as prescribed by law. The legislature shall provide by law for such other implementation of this section as the legislature determines appropriate.

"(d) Texas Water Development Bonds are secured by the full faith and credit of the state, and there is hereby appropriated out of the first money ^(S.F.T.) coming into the Treasury in each fiscal year, not otherwise appropriated by this Constitution, an amount which is sufficient to pay the principal and interest on such bonds that mature or become due during such fiscal year, less the amount in the sinking fund at the close of the prior fiscal year. No bonds authorized under this section may be issued without prior approval of the attorney general and registration by the comptroller of public accounts; after approval, registration, and delivery to the purchaser the bonds are incontestable.

"(e) The legislature by law may provide for the execution of contracts in excess of two years duration between the state or a state agency and the United States or any of its agencies to acquire or develop storage facilities in reservoirs constructed or to be constructed by the federal government. Contracts executed under this subsection are general obligations of the state and are part of the state debt authorized under Subsection (a) of this Section.

"(f) No state fund established for purposes of water development, whether funded by the sale of Texas Water Development Bonds or from other sources, may be used to finance a project that contemplates or results in removing surface water from the river basin of origin if the surface water is necessary to supply the reasonably foreseeable water requirements of the basin for the ensuing 50 years. This subsection does not apply to a removal of water on a temporary, interim basis. No such state fund may be used for the development of water resources from the Mississippi River.

"(g) The aggregate amount of bonds and contracts authorized by this section includes Texas Water Development Bonds and contracts issued before the effective date of this amendment. Texas Water Development Bonds or other evidences of indebtedness issued before the effective date of this amendment remain valid and enforceable in accordance with their terms and subject to all applicable terms and conditions. The state or a state agency shall continue to provide for a source or sources of payment in accordance with the terms of these bonds or other evidences of indebtedness until the obligations are paid in full.

"(h) No single water development project requiring an expenditure of proceeds of Texas Water Development Bonds in an aggregate amount in excess of \$35 million may be undertaken unless:

"(A) the expenditure is approved by concurrent resolution adopted by a majority of the members of each house of the Legislature; or

"(B) the project is a part of a statewide water development plan approved by concurrent resolution adopted by a majority of the members of each house of the Legislature."

(2) The constitutional amendment proposed by this section becomes effective on January 1, 1977.

~~Section~~ 3. The constitutional amendment proposed by Sections 1 and 2 is to be submitted to a vote of the qualified electors at the election held on the first Tuesday after the first Monday in November, 1976, at which election the ballots are to provide for voting for or against the proposition: "A constitutional amendment to increase from \$100 million to \$200 million the amount of Texas Water Development Bonds that may be issued for water quality enhancement purposes."

~~Section~~ 4. If Sections 49-c, 49-d, or 49-d-1 of Article III of the Texas Constitution are renumbered because of the adoption on November 4, 1975, of one or more amendments proposed by Senate Joint Resolution No. 11, as passed by the 64th Legislature in the 1975 ^{STP - Dup} regular session, the secretary of state with the approval of the attorney general shall appropriately renumber and change the cross-references of the amendment contained in Sections 1 and 2 of this resolution to conform to the renumbered sections in Article III. The changes are to be made at least 90 days before the first Tuesday after the first Monday in November, 1976.

~~Section~~ 5. That if the constitutional amendment proposed in Section 5 of Senate Joint Resolution No. 11, as passed in the 1975 regular session of the 64th

Legislature, is adopted by a majority of the qualified electors voting on the question on November 4, 1975:

(1) Approval of this resolution by a record affirmative two-thirds vote of the membership of each house of the 64th Legislature in the 1975 regular session is hereby declared to constitute legislative approval of state debt in conformity with Section 8 of Article VIII of the constitution.

(2) The ballot at the general election held on the first Tuesday after the first Monday in November, 1976, is to provide for voting for or against the proposition: "Authorizing an increase of \$100 million in the amount of Texas Water Development Bonds that may be issued for water quality enhancement purposes in accordance with House Joint Resolution No. 99 as passed by the 64th Legislature in the 1975 regular session." Approval of this proposition by a majority of the qualified voters voting on the question is hereby declared to constitute voter approval of state debt in conformity with Section 8 of Article VIII of the constitution.

(3) Approval of state debt in the manner provided by this section permits the legislature to authorize by law the issuance of Texas Water Development Bonds in the amounts prescribed by and otherwise in accordance with Section 49-c contained in Subdivision (1) of Section 2 of this resolution. However, approval of state debt in the manner provided by this section does not mandate or require the continuation of the Texas Water Quality Board or the Texas Water Development Board as the state agency empowered to issue Texas Water Development Bonds and administer proceeds from the sale of bonds.

(4) Approval of state debt under this section becomes effective on January 1, 1977.

Amendment - 71 (2)

Proposing an amendment to the Texas Constitution to increase from \$100 million to \$200 million the additional aggregate principal amount of Texas Water Development Bonds which may be issued and outstanding by the Texas Water ~~Costs~~ Development Board for ^{tertiary} water quality enhancement purposes.

211
02

ENROLLED

H.J.R. No. 99

HOUSE JOINT RESOLUTION

1 proposing an amendment to the Texas Constitution to increase from
2 \$100 million to \$200 million the additional aggregate principal
3 amount of Texas Water Development Bonds which may be issued and
4 outstanding by the Texas Water Development Board for water quality
5 enhancement purposes.

6 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 Section 1. That if the constitutional amendment proposed
8 in Section 5 of Senate Joint Resolution No. 11, as passed in the
9 1975 Regular Session of the 64th Legislature, is not adopted by
10 a majority of the qualified electors voting on the question on
11 November 4, 1975, and the constitutional amendment proposed in
12 Section 1 of Senate Joint Resolution No. 49, as passed in the
13 1975 Regular Session of the 64th Legislature, is not adopted by
14 a majority of the qualified electors voting on the question on
15 November 2, 1976:

16 (1) Section 49-d-1 of Article III of the Texas
17 Constitution is amended to read as follows:

18 "Section 49-d-1. Additional Texas Water Development Bonds.
19 (a) The Texas Water Development Board shall upon direction of
20 the Texas Water Quality Board, or any successor agency designated
21 by the Legislature, issue additional Texas Water Development Bonds
22 up to an additional aggregate principal amount of \$200,000,000
23 ~~One Hundred Million Dollars (\$100,000,000)~~ to provide grants,
24 loans, or any combination of grants and loans for water quality

1 enhancement purposes as established by the Legislature. The Texas
2 Water Quality Board or any successor agency designated by the
3 Legislature may make such grants and loans to political
4 subdivisions or bodies politic and corporate of the State of
5 Texas, including municipal corporations, river authorities,
6 conservation and reclamation districts, and districts created or
7 organized or authorized to be created or organized under Article
8 XVI, Section 59, or Article III, Section 52, of this Constitution,
9 State agencies, and interstate agencies and compact commissions
10 to which the State of Texas is a party, and upon such terms and
11 conditions as the Legislature may authorize by general law. The
12 bonds shall be issued for such terms, in such denominations, form
13 and installments, and upon such conditions as the Legislature may
14 authorize.

15 "(b) The proceeds from the sale of such bonds shall be
16 deposited in the Texas Water Development Fund to be invested and
17 administered as prescribed by law.

18 "(c) The bonds authorized in this Section 49-d-1 and all
19 bonds authorized by Sections 49-c and 49-d of Article III shall
20 bear interest at not more than 6% per annum and mature as the
21 Texas Water Development Board shall prescribe, subject to the
22 limitations as may be imposed by the Legislature.

23 "(d) The Texas Water Development Fund shall be used for
24 the purposes heretofore permitted by, and subject to the
25 limitations in Sections 49-c, 49-d and 49-d-1; provided, however,
26 that the financial assistance may be made pursuant to the

1 provisions of Sections 49-c, 49-d and 49-d-1 subject only to the
2 availability of funds and without regard to the provisions in
3 Section 49-c that such financial assistance shall terminate after
4 December 31, 1982.

5 "(e) Texas Water Development Bonds are secured by the
6 general credit of the State and shall after approval by the
7 Attorney General, registration by the Comptroller of Public
8 Accounts of the State of Texas, and delivery to the purchasers,
9 be incontestable and shall constitute general obligations of the
10 State of Texas under the Constitution of Texas.

11 "(f) Should the Legislature enact enabling laws in
12 anticipation of the adoption of this amendment, such Acts shall
13 not be void by reason of their anticipatory character."

14 (2) The constitutional amendment proposed by this
15 section becomes effective on January 1, 1977.

16 Sec. 2. That if the constitutional amendment proposed in
17 Section 5 of Senate Joint Resolution No. 11, as passed in the
18 1975 Regular Session of the 64th Legislature, is not adopted by
19 a majority of the qualified electors voting on the question on
20 November 4, 1975, but the constitutional amendment proposed in
21 Section 1 of Senate Joint Resolution No. 49, as passed by the
22 1975 Regular Session of the 64th Legislature, is adopted by a
23 majority of the qualified electors voting on the question on
24 November 2, 1976:

25 (1) Section 49-c of Article III of the Texas
26 Constitution as proposed in Senate Joint Resolution No. 49 is

1 amended to read as follows:

2 "Sec. 49-c. Texas Water Development Bonds and Contracts.

3 (a) The issuance of Texas Water Development Bonds is hereby
4 authorized in an aggregate principal amount not to exceed
5 \$400,000,000. The legislature by a record affirmative two-thirds
6 vote of the membership of each house may authorize the issuance
7 of all or any part of an additional aggregate principal amount
8 of Texas Water Development Bonds not to exceed \$400,000,000.
9 Bonds authorized under this subsection may be issued only for
10 such water development purposes as prescribed by law.

11 "(b) The issuance of Texas Water Development Bonds is
12 hereby authorized in an aggregate principal amount not to exceed
13 \$200,000,000 (~~\$400,000,000~~), which bonds may be issued only for
14 such water quality enhancement purposes as prescribed by law.

15 "(c) Texas Water Development Bonds are issued in such
16 manner and installments and upon such terms and conditions, bear
17 such rates of interest, and mature as prescribed by law. The
18 legislature shall provide by law for such other implementation
19 of this section as the legislature determines appropriate.

20 "(d) Texas Water Development Bonds are secured by the full
21 faith and credit of the state, and there is hereby appropriated
22 out of the first moneys coming into the Treasury in each fiscal
23 year, not otherwise appropriated by this Constitution, an amount
24 which is sufficient to pay the principal and interest on such
25 bonds that mature or become due during such fiscal year, less the
26 amount in the sinking fund at the close of the prior fiscal year.

1 No bonds authorized under this section may be issued without prior
2 approval of the attorney general and registration by the
3 comptroller of public accounts; after approval, registration, and
4 delivery to the purchaser the bonds are incontestable.

5 "(e) The legislature by law may provide for the execution
6 of contracts in excess of two years duration between the state
7 or a state agency and the United States or any of its agencies
8 to acquire or develop storage facilities in reservoirs constructed
9 or to be constructed by the federal government. Contracts executed
10 under this subsection are general obligations of the state and
11 are part of the state debt authorized under Subsection (a) of
12 this Section.

13 "(f) No state fund established for purposes of water
14 development, whether funded by the sale of Texas Water Development
15 Bonds or from other sources, may be used to finance a project
16 that contemplates or results in removing surface water from the
17 river basin of origin if the surface water is necessary to supply
18 the reasonably foreseeable water requirements of the basin for
19 the ensuing 50 years. This subsection does not apply to a removal
20 of water on a temporary, interim basis. No such state fund may
21 be used for the development of water resources from the Mississippi
22 River.

23 "(g) The aggregate amount of bonds and contracts authorized
24 by this section includes Texas Water Development Bonds and
25 contracts issued before the effective date of this amendment.
26 Texas Water Development Bonds or other evidences of indebtedness

1 issued before the effective date of this amendment remain valid
2 and enforceable in accordance with their terms and subject to all
3 applicable terms and conditions. The state or a state agency
4 shall continue to provide for a source or sources of payment in
5 accordance with the terms of these bonds or other evidences of
6 indebtedness until the obligations are paid in full.

7 "(h) No single water development project requiring an
8 expenditure of proceeds of Texas Water Development Bonds in an
9 aggregate amount in excess of \$35 million may be undertaken unless:

10 "(A) the expenditure is approved by concurrent
11 resolution adopted by a majority of the members of each house of
12 the Legislature; or

13 "(B) the project is a part of a statewide water
14 development plan approved by concurrent resolution adopted by a
15 majority of the members of each house of the Legislature."

16 (2) The constitutional amendment proposed by this
17 section becomes effective on January 1, 1977.

18 Sec. 3. The constitutional amendment proposed by Sections
19 1 and 2 is to be submitted to a vote of the qualified electors
20 at the election held on the first Tuesday after the first Monday
21 in November, 1976, at which election the ballots are to provide
22 for voting for or against the proposition: "A constitutional
23 amendment to increase from \$100 million to \$200 million the amount
24 of Texas Water Development Bonds that may be issued for water
25 quality enhancement purposes."

26 Sec. 4. If Sections 49-c, 49-d, or 49-d-1 of Article III

H.J.R. No. 99

1 of the Texas Constitution are renumbered because of the adoption
2 on November 4, 1975, of one or more amendments proposed by Senate
3 Joint Resolution No. 11, as passed by the 64th Legislature in the
4 1975 Regular Session, the secretary of state with the approval
5 of the attorney general shall appropriately renumber and change
6 the cross-references of the amendment contained in Sections 1 and
7 2 of this resolution to conform to the renumbered sections in
8 Article III. The changes are to be made at least 90 days before
9 the first Tuesday after the first Monday in November, 1976.

10 Sec. 5. That if the constitutional amendment proposed in
11 Section 5 of Senate Joint Resolution No. 11, as passed in the
12 1975 Regular Session of the 64th Legislature, is adopted by a
13 majority of the qualified electors voting on the question on
14 November 4, 1975:

15 (1) Approval of this resolution by a record
16 affirmative two-thirds vote of the membership of each house of
17 the 64th Legislature in the 1975 Regular Session is hereby declared
18 to constitute legislative approval of state debt in conformity
19 with Section 8 of Article VIII of the constitution.

20 (2) The ballot at the general election held on the
21 first Tuesday after the first Monday in November, 1976, is to
22 provide for voting for or against the proposition: "Authorizing
23 an increase of \$100 million in the amount of Texas Water
24 Development Bonds that may be issued for water quality enhancement
25 purposes in accordance with House Joint Resolution No. 99 as
26 passed by the 64th Legislature in the 1975 Regular Session."

1 Approval of this proposition by a majority of the qualified voters
2 voting on the question is hereby declared to constitute voter
3 approval of state debt in conformity with Section 8 of Article
4 VIII of the constitution.

5 (3) Approval of state debt in the manner provided
6 by this section permits the legislature to authorize by law the
7 issuance of Texas Water Development Bonds in the amounts prescribed
8 by and otherwise in accordance with Section 49-c contained in
9 Subdivision (1) of Section 2 of this resolution. However, approval
10 of state debt in the manner provided by this section does not
11 mandate or require the continuation of the Texas Water Quality
12 Board or the Texas Water Development Board as the state agency
13 empowered to issue Texas Water Development Bonds and administer
14 proceeds from the sale of bonds.

15 (4) Approval of state debt under this section becomes
16 effective on January 1, 1977.

H.J.R. No. 99

President of the Senate

Speaker of the House

I hereby certify that H.J.R. No. 99 was passed by the House on May 26, 1975, by the following vote: Yeas 110, Nays 15; and that the House concurred in Senate amendment to H.J.R. No. 99 on June 1, 1975, by the following vote: Yeas 147, Nays 1.

Chief Clerk of the House

I hereby certify that H.J.R. No. 99 was passed by the Senate, with amendment, on May 31, 1975, by the following vote: Yeas 27, Nays 3.

Secretary of the Senate

APPROVED:

6-20-75

Date

Signed

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
1:45pm O'CLOCK

JUN 20 1975

Secretary of State

To be voted on Nov. 1976

H.J.R. No. 99

By Von Dohlen

HOUSE JOINT RESOLUTION

proposing a constitutional amendment of Section 49-d-1 of Article III of the Texas Constitution to increase from \$100 million to \$200 million the additional aggregate principal amount of Texas Water Development Bonds which may be issued and outstanding by the Texas Water Development Board for water quality enhancement purposes.

MAR 14 1975

1. Filed with the Chief Clerk of the House.

MAR 20 1975

2. Read first time and referred to Committee on Constitutional Revision

April 24, 1975

3. Fiscal note requested from Legislative Budget Board by Ray Statler

MAY 13 1975

4. Reported favorably (~~unfavorably~~) (as amended) and sent to printer

MAY 13 1975

5. Printed, distributed by Calendar Clerk and sent to Committee on Calendars at 10:15 P M.

MAY 26 1975

6. Read second time (amended) and ~~ordered engrossed~~ (finally passed) by a Record Vote of 110 yeas, 15 nays, and _____ present and not voting.

7. Motion to reconsider the vote by which H.J.R. _____ was ordered engrossed and to table the motion to reconsider prevailed (failed) by (Non-record vote) (Record Vote of _____ yeas, _____ nays, and _____ present and not voting).

8. Read third time (amended) and finally adopted (failed of adoption) by a Record Vote of _____ yeas, _____ nays, present and not voting.

9. Caption ordered amended to conform to body of resolution.

10. Motion to reconsider and table the vote by which H.J.R. _____ was finally adopted prevailed (failed) by a (Non-record Vote) (Record Vote of _____ yeas, _____ nays, and _____ present and not voting).

Dorothy Hallman
Chief Clerk of the House

MAY 26 1975

11. Sent to Engrossing Clerk _____ M.

5/26/75

12. Engrossed.

Clean Gussner
Engrossing Clerk of the House

MAY 26 1975

13. Returned to Calendar Clerk _____ M.

MAY 26 1975

14. Sent to the Senate.

MAY 27 1975

15. Received from the House.

MAY 27 1975

16. Read, referred to Committee on NATURAL RESOURCES

MAY 30 1975

17. Reported favorably

18. Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

19. Ordered not printed.

MAY 31 1975

20. Regular order of business suspended by

(unanimous consent.)
(~~25~~ 26 yeas, ~~5~~ 4 nays.)

21. To permit consideration, reading and passage, Senate and Constitutional Rules suspended by vote of _____ yeas, _____ nays.

MAY 31 1975

22. Read second time amended passed to third reading by:

(a viva voce vote.)
(_____ yeas, _____ nays.)

MAY 31 1975

23. Caption ordered amended to conform to body of resolution.

MAY 31 1975

24. Senate and Constitutional 3-Day Rules suspended by vote of 26 yeas, 4 nays to place resolution on third reading and final passage.

MAY 31 1975

25. Read third time and passed by

(a viva voce vote.)
(~~26~~ 27 yeas, 3 nays.)

OTHER ACTION:

MAY 31 1975

26. Returned to the House.

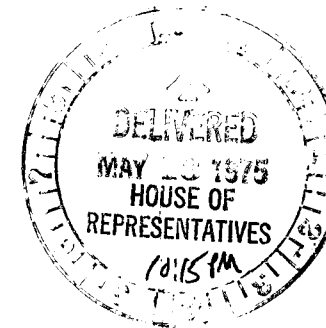
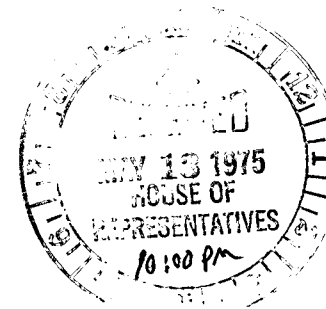
MAY 31 1975

27. Received from the Senate (with amendments).

SENT TO PRINTER

Dorothy Hallman
Chief Clerk, House of Representatives

Charles Schnabel
Secretary of the Senate



JUN 1 1975

The House has concurred in Senate amendments ^{to}
to ~~House Bill~~ No. 99 by vote of 147 yeas,
1 nays.

Dorothy Hallman
Chief Clerk, House of Representatives

JUN 1 1975 SENT TO ENROLLING CLERK